



Md Arfan Ali, president and managing director of Bank Asia, and Yukoh Satake, co-CEO of Grameen Eulgena, a joint venture social business company of Japan and Bangladesh, exchange the papers of a memorandum of understanding on payment digitisation for rural farmers, at the bank's Scotia branch in Dhaka yesterday.

Britain's deficit hits 17-year low

AFP, London
 Britain's deficit improved last year to reach its lowest level for 17 years on bumper tax revenues and lingering state austerity, official data showed Wednesday.
 Public sector net borrowing stood at £24.7 billion (\$32 billion, 28.6 billion euros) in the year to March, the Office for National Statistics said in a statement.
 That contrasted with £41.8 billion in the previous financial year.
 The deficit -- the UK government's net borrowing over 12 months through to the end of March -- was meanwhile only 1.2 percent of the country's annual gross domestic product, or everything that it produced.
 This was down from a huge 9.9 percent at the height of the global financial crisis almost a decade earlier after which the UK economy suffered from years of state austerity.

Analysts said the low deficit gave the Treasury led by Chancellor of the Exchequer Philip Hammond breathing space in the event of either a smooth or hard Brexit.
 "Another fall in the budget deficit to just 1.2 percent of GDP in 2018/19 puts the public finances on a sustainable footing and gives the chancellor room to provide a 'deal dividend' if there is a Brexit deal or to support the economy if the UK leaves the EU without a deal," noted the Capital Economics research group.
 Britain will have a £26.6-billion war chest to battle the potential damage of its exit from the European Union, a government oversight body announced March.
 Or the money could be used to help improve current sluggish British economic growth should the UK depart with a deal struck between London and Brussels.

Microsoft tops \$1tn as it predicts more cloud growth

REUTERS
 Microsoft Corp on Wednesday briefly topped \$1 trillion in value for the first time after executives predicted continued growth for its cloud computing business.
 The Redmond, Washington-based company beat Wall Street estimates for quarterly profit and revenue, powered by an unexpected boost in Windows revenue and brisk growth in its cloud business which has reached tens of billions of dollars in sales.
 Microsoft shares rose 4.4 percent to \$130.54 in late trading after the forecast issued on a conference call with investors, pushing the company ahead of Apple Inc's \$980 billion market capitalization.
 The companies and Amazon.com Inc have taken turns in recent months

to rank as the world's most valuable US-listed company. Microsoft's stock has gained about 23 percent gain so far this year, after hitting a record high of \$125.85 during regular trading hours.
 Under Chief Executive Satya Nadella, the company has spent the past five years shifting from reliance on its once-dominant Windows operating system to selling cloud-based services. Azure, Microsoft's flagship cloud product, competes with market leader Amazon Web Services (AWS) to provide computing power to businesses.
 Chief Financial Officer Amy Hood told investors that Microsoft expects to see growth in the fiscal fourth quarter in the business divisions in charge of Azure and Office 365, an online version of its longtime

productivity software.
 For the third quarter ended March 31, Azure's growth slowed slightly to 73 percent, down from 76 percent in the second quarter. Mike Spencer, Microsoft's head of investor relations, said the decline was roughly in line with the company's estimate.
 Christopher Eberle, a senior equity analyst with Nomura, said that with Azure, "one should assume a slower rate of growth as we move forward, simply due to the law of large numbers." Still, Azure will bring in \$13.5 billion in sales in fiscal 2019 with an overall growth rate of 75 percent, he estimated. "I can't name another company of that scale growing at these rates." Microsoft tops tech rivals such as Amazon in market capitalization on some days despite having less revenue.



Rina P Soemarno, ambassador of Indonesia in Dhaka; Md Mofizul Islam, commerce secretary of Bangladesh, and Mayerfas, secretary general to Indonesia's foreign affairs ministry, inaugurate Indonesia Fair 2019 at International Convention City Bashundhara in Dhaka yesterday.

No intent to tighten or relax monetary policy

China central bank official says

REUTERS, Beijing
 China's central bank has no intent to tighten or relax monetary policy, a vice governor said on Thursday, as the market debates how much more support Beijing will give the economy after surprisingly resilient data was released last week.
 The People's Bank of China's use of reverse repos or a medium-term lending facility (MLF) does not signal that it has a loosening bias, Vice-Governor Liu Guoqiang told reporters at a briefing.
 On the contrary, said Liu, if the central bank has not conducted reverse repos for a few days, it does not mean monetary policy is about to tighten. Those tools are designed to adjust short-term liquidity, he added.
 Financial market views over China's policy outlook have shifted markedly since the release of better-than-expected first-quarter GDP and March economic data, which suggested the economy may be starting to steady after a flurry of earlier growth-boosting measures.
 Following signs of improvement in the economy, policy insiders told Reuters that PBOC is likely to pause to assess conditions before making any further moves to cut bank reserve requirements. Liu said the prudent monetary policy remains neither too tight nor too loose, and the PBOC does not want to see a liquidity crunch nor a market awash with cash.
 Although the central bank's easing bias remains unchanged, it sees less room this year for cutting reserve requirement ratios (RRRs) - the share of cash banks must hold as reserves - as fiscal stimulus plays a bigger role in spurring growth, according to government advisers involved in internal policy discussions.
 Fears of less stimulus have triggered a reversal in the country's rallying stock markets, which are highly sensitive to liquidity changes. Liu said a recent top-level meeting which stated that monetary policy should be fine-tuned based on economic growth and price changes did not ask to alter the direction of the policy.
 Sun Guofeng, head of the PBOC's monetary policy division, told Thursday's briefing the central bank would follow a pattern of conducting targeted medium-term lending facility (TMLF) operations in the fourth week of the first month of every quarter.

Gold gains on weak economic data

REUTERS
 Gold prices edged up on Thursday as a dip in equities and weak economic data from far and wide raised flags about the pace of global economic growth, while a firm dollar curbed further gains for the metal.
 Spot gold rose 0.2 percent to \$1,277.72 per ounce at 0815 GMT. US gold futures were steady at \$1,279.60 an ounce.
 Asian shares took a hit after data showed German business morale deteriorated in April as trade tensions hurt the industrial engine of Europe's largest economy.
 South Korean economy also unexpectedly contracted in the first quarter, fuelling concerns that the global economy is still not out of the woods.
 "Global growth data outside the US have been actually quite poor, we haven't had anything to sink our teeth in," said Stephen Innes, head of trading and market strategy, SPI Asset Management.
 "We have also anticipated some correction on the equity markets and that just turns the focus back to the major economic drivers," Innes added.
 Gold is often used as a hedge against economic and financial uncertainties.
 However, the US dollar, which traded close to a near two-year peak, kept the metal's gains in check by making it more expensive for holders of other currencies.
 Having hit a four-month low of \$1,265.90 an ounce earlier this week, the outlook for gold remains bearish in the near-term, with the metal still



Goldsmiths arrange products in a gold and jewellery store in Turkey.

below its 50-day and 100-day moving averages.
 "Heavy technical selling activities have imposed negative pressures on the precious metal for the near term," Benjamin Lu, analyst, Phillip Futures, said in a note.
 "Market bears must break beneath \$1,265 for a continuation of the negative trend scenario. A bearish breakthrough will see gold prices target the next main station of \$1,245 in the coming term."
 Attesting the bearish momentum, holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, dipped 0.2 percent to 747.87 tonnes on

Wednesday, its lowest since Oct. 19. Holdings have fallen nearly 5 percent so far this year.
 Market participants will now shift focus towards the release of the US GDP data, which is due on Friday.
 Investors also eyed further trade negotiations between the United States and China. The two countries are slated to begin the next round of talks on trade on April 30, in an attempt to conclude a nearly year-long tariff spat.
 Elsewhere, silver rose 0.1 percent to \$14.93 an ounce, while platinum climbed 0.7 percent to \$884.79.
 Palladium was steady at \$1,416.67 an ounce.

India court reverses TikTok app restrictions

REUTERS, New Delhi
 An Indian court has reversed a decision that ordered Google and Apple to take down Chinese-owned video app TikTok over the spread of pornographic material, local media said.
 The controversial but wildly popular app allows users to upload and share short 15-second clips from their phones and claims to have 500 million users worldwide -- more than 120 million of them in India.
 It is already banned in neighbouring Bangladesh and was hit with an enormous fine in the United States for illegally collecting information from children.
 The Wednesday ruling by the Madras High Court in India's southern Tamil Nadu state requires the popular platform to prevent "obscene videos" from being posted.
 "(The court) warned if any controversial video violating its conditions were found uploaded using the app, it would be considered a contempt of court," a report by the Press Trust of India agency said.
 On April 16, India's government demanded Google and Apple remove the service from its app stores, though the order did not stop those who had already downloaded the app from using it. The case against TikTok was launched by an activist group that said the app encouraged paedophiles and pornography. India's government told the court on Wednesday that they had formed a committee to suggest ways to regulate apps like TikTok, PTI said.
 TikTok told the court that they had removed around six million controversial videos from the platform since the order was announced banning new downloads last week.
 The app hit the headlines in India earlier in April after a 19-year-old man was accidentally shot dead by a friend in Delhi as they posed with a pistol to make a video on the platform. TikTok has become a major rival to Facebook, Instagram and other social network sites among teenaged smartphone users in the past year.
 Bangladesh banned TikTok in February as part of a clampdown on internet pornography.
 The same month, the US Federal Trade Commission (FTC) said a \$5.7 million fine ordered against the company was the largest imposed in a child privacy investigation.
 The social network failed to obtain parental consent from underage users as required by the US.



Taskeen Ahmed, managing director of Ifad Autos, and Amlan Mitra, CEO of Gulf Oil Bangladesh, pose with national cricketer Shakib Al Hasan—the new brand ambassador of Gulf Oil—in India's Hyderabad on Wednesday. Ifad Group is a joint venture partner of Gulf Oil.

Nokia plunges to surprise loss

REUTERS, Helsinki
 Finland's Nokia plunged to a surprise quarterly loss after it failed to supply 5G telecoms equipment in time, and said the security dispute surrounding rival Huawei was creating pressure to invest as customers reassess their suppliers.
 Shares fell 9 percent to 4.68 euros on the news on Thursday, their lowest level in six months. Nokia said it would be under significant pressure to deliver in the second half after a slow start to the year in supplying next-generation mobile gear.
 Nokia counts Sweden's Ericsson and China's Huawei as its main rivals, and some analysts say the Finnish company may benefit from challenges faced by Huawei after Washington alleged its equipment could be used by Beijing for spying - charges Huawei denies.
 Ericsson last week posted January-March quarter profit that beat forecasts, spurring the Swedish firm to lift its outlook for the global telecom networks market.
 But Nokia said on Thursday: "Some customers are reassessing their vendors in light of security concerns, creating near-term pressure to invest in order to secure long-term benefits."



Arman Rashid, a director of Kawasaki Bangladesh, and Safat Ishtiaq, operations manager, attend the launch of the motorcycle company's first flagship showroom and service centre in the capital's Eskaton yesterday.